

CIA Establishes Code of Conduct

United Press International

The Central Intelligence Agency, in response to the Libyan activities of two former agents, has prepared a code of conduct to prevent its employees from later using their CIA experience for private gain.

A spokesman confirmed the existence of the code yesterday, but said, "It is not ready for issuance yet and has to be issued first to employees in the next few days." The spokesman said the "intended handbook" would be made public later.

The code reportedly was distributed within the CIA recently and was given Wednesday to the House Intelligence Committee, which is looking into the Libyan connections of former agents Edwin Wilson and Frank Terpil.

Wilson and Terpil were indicted in 1980 on charges of shipping explosives to Libya and have been accused of hiring U.S. mercenaries to train terrorists for Libya.

New Copter Won't Be Built Till Costs Settled, Army Says

Associated Press

A Pentagon official told a Senate subcommittee yesterday that the Army won't sign a production contract for the new, expensive AH64 helicopter gunship until substantial cost disputes with the producer are resolved.

James R. Ambrose, Army undersecretary, was called before the tactical warfare subcommittee of the Senate Armed Services Committee to explain to an angry chairman, Sen. Barry Goldwater (R-Ariz.), why a program that called for spending \$6 billion for 536 helicopters has become a \$7 billion program that will produce only 446 aircraft.

Moreover, Goldwater noted, "the increase in unit cost of the helicopter—if you subtract the already expended research and development funds of \$1.2 billion—is an incredible 45 percent."

Ambrose said he has held his job

for only four months, but he suspected that the history of the AH64 resembled that of some other major weapons systems.

"It almost seems to be an institutional phenomenon that these projects start with gross underestimates by both government and contractor, usually followed by modest growth in estimates during the early development phases and then experiencing sharp increases toward the end of development and in the early production phases," he said.

Ambrose said the Army will hold off signing a production agreement with the prime contractor, Hughes Helicopters of Culver City, Calif., until there is agreement on a major dispute "over the reasonableness of substantial portions of his proposed costs."

And Ambrose said the Army intends to spend no more than is now envisioned on the helicopter fleet.

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